



LEGISLATIVE FINANCE COMMITTEE

59TH Montana Legislature

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

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Minutes

Long-Range Building Cash Program Funding Subcommittee

February 6, 2006

Room 102, State Capitol

Helena, MT

ROLL CALL

Sen. Rick Laible
Sen. Mike Cooney
Rep. Gary Branae
Rep. Ray Hawk

Also present:

Bob Lashaway, Facilities at Montana State University in Bozeman
Mick Robinson, Office of the Commissioner of Higher Education
Mark Bruno, Governor's Budget Office
Steve Bender, Deputy Director of the Department of Administration
Cathy Duncan, Legislative Fiscal Division
Tom O'Connell, Administrator of the Architecture and Engineering Division
Joe Triem, Planning Manager of the Architecture and Engineering Division
Kevin Krevsbach, Facilities at the University of Montana

Attachments:

Roll Call (Attachment – 1)
Visitors List (Attachment – 2)

Call to Order (Tape 1 A-009)

Senator Mike Cooney, Acting Chairman, called the 1st meeting of the Long Range Building Cash Program Funding Subcommittee (LRBP) to order at 1:03 p.m. on Monday, February 6, 2006. The meeting was held in Hearing Room 102 of the State Capitol. Helena, Montana.

Introduction (Tape 1 A-10)

Senator Cooney welcomed everyone and thanked him or her for coming. He then explained that, though the funding of maintenance wasn't the most exciting issue, the maintenance and upkeep of our public buildings and the funding to accomplish the job is important. It difficult for the Legislature to wrap its arms around the issue and understand that allowing our state buildings

to decay will eventually have a devastating impact. It is a large financial issue and it is the hope that this committee will be able to recommend a solution to the funding problem to the next session of the Legislature.

Potential Funding Options (Tape 1A-41)

Cathy Duncan gave a brief overview of the “Current LRBP Funding” flow chart (Exhibit 1), which shows the various sources of funding and the present distribution of these funds. Not included was the one-time-only \$30 million transfer of general fund moneys in the 2005 biennium. She pointed out that after the administration costs and debt services were paid there were \$5.338 million left for projects. The program for long-term maintenance has been underfunded for a long time. The Division of Architecture and Engineering has been responsible for the major maintenance on \$1.5 billion worth of buildings. Major maintenance is structural repair and replacement not just everyday wear and tear. This structural repair is funded for the most part with cigarette tax dollars. The revenue from this source is decreasing every year. She said that at current funding the projection is that in one decade the money available for projects will decrease to \$2.5 million over the next decade. That amount will not cover the needs.

Senator Laible asked if less money coming from the cigarette tax was a result of less money or legislators peeling off the funds for something else. Ms. Duncan explained that the funding from the cigarette tax is a fixed percentage, but it was adjusted downward every time there was a tax increase to keep it at a level amount in dollars. However, as consumption goes down; so the amount actually received goes down.

Ms. Duncan next explained that most of the 12 percent coming from the coal severance tax goes to debt service on bonds. **Representative Hawk** asked if the funds going to pay the debt service would go to pay for projects after the debt is paid off in 2019. Ms. Duncan answered that it would. **Senator Cooney** then asked Tom O’Connell if the debt service was specific to certain bonds or was it open to all bonds for the function of building maintenance. Mr. O’Connell answered that there were three specific bond issuances. When those debt services were paid the money could go into projects, but that was thirteen years away.

There was then the discussion of whether more bonds could be issued to this debt service. **Mr. O’Connell** stated the debt service for bonds of this type generally come from the general fund, however it was possible.

Long Range Building Program Funding Study (Tape 1A-196)

Mr. O’Connell thanked the committee for assembling to study the funding issue and said that his department tries to prioritize the Legislature’s mandates and the maintenance needs of the state buildings and frankly there isn’t enough funds and many projects do not get accomplished.

The state has over 4,000 buildings in its inventory or over 20 million square feet. The investment in these buildings is \$1.76 billion without the contents. This value is always growing. Not all of these buildings are eligible for LRBC funding. They might get funds from highway fuel tax, fish and game licenses, federal dollars for the Department of Military Affairs, private or auxiliary dollars. The buildings that have nowhere else to go but LRBC funding comprise 66 percent of the buildings. He said the numbers he had just given come from the

“Risk Management and Tort Defense Insurance Inventory of State Facilities”. He said these were conservative figures. He had everyone look at his “LRBP Fact Sheet” handout (Exhibit 2) and pointed out that though total building program funding was \$275 million, the amount in the LRBP Cash Program for deferred building maintenance is very small. Yet the amount is to cover 66 percent of the buildings. He then had everyone look at his “28-Year Trend in Cash Program—in 2006 Dollars” handout, (Exhibit 3) and pointed out that decrease in LRBP Cash Funding. He stated that the problem is that there are more needs than there are funds. There is a growing deferred maintenance backlog. The backlog has been documented to cost about \$142 million and is going to continue to grow. This figure is according to agency requests on the books.

Senator Laible asked Mr. O’Connell what his estimate was of how much is added to the differed maintenance amount every year? Mr. O’Connell said he would get into that as he went along.

Ms. Duncan asked if there was any relationship between the \$142 million and the sheet that Joe Triem made for them.

Senator Cooney asked the committee to look at the “Unfunded Deferred Maintenance Request-Post 2005 Session” handout (Exhibit 4). He said that the \$142 million that Cathy Duncan was referring to can be found on the last page. The \$142 million represents the total amount that agencies have requested. What wasn’t in there were problems that exist that haven’t been requested. Some agencies have given up making requests when they realize that there is so little money. With this last statement in mind, the Division of Architecture and Engineering estimated the need of the non-requesting agencies at the same building inventory to needed maintenance percentage as the requesting agencies and arrived at the more realistic projected amount of unfunded deferred maintenance projects. This amount was \$205 million dollars for the next two biennia.

Mr. O’Connell requested the committee look at the “Revenue Estimate Long-Range Building Program Account Projections as of October 25, 2004 for the 2007 Biennium” handout (Exhibit 5). The revenues including the \$30,000,000 from the general fund came to \$41,728,280. The expenditures, which included operating costs and debt service, came to \$7,168,821. Funding proposals would remove another \$35,128,040 leaving the fund with \$44,583 for the next year.

Mr. O’Connell then referred to his “28-Year Trend in Cash Program - in 2006 dollars” handout (Exhibit 3). He pointed out that in 1982-83 session there was slightly more than \$11 million of funding and at its lowest point in the 2004-05 session there was \$3 million. The 2006-07 session has slightly more than \$5 million. The main point was that there was a downward trend. If inflation was taken into account, the drop was even more significant. So there is currently less money to repair more facilities. Even though there were some spikes on the graph, as when the coal tax was designated, the picture was one of overall decline.

Senator Laible asked Mr. O’Connell what he considered “Cash”. Mr. O’Connell answered that it would be everything but the one time amount from the general fund. **Senator Laible** then said, as a follow up, that if he took the \$41 million Mr. O’Connell had in “Cash” and took the

\$30 million out he would have \$11 million. If he referred to the graph, it looked like there was \$5 million. Mr. O'Connell said that if they would go back to the "Revenue Estimate" sheet (Exhibit 5) and take the \$35 million dollars funds available and subtract the \$30 million from the general fund they would arrive at the \$5 million. Mr. O'Connell corrected himself by stating that, if he had said that the "28-Year Trend" graph included the one time general fund, it did not.

Mr. O'Connell then referred to the "Declining Balance Available for Capital Projects". (Exhibit 6) He said that if the fixed costs were subtracted from the total revenues the decline in funds would become more apparent. The fixed costs were the operational costs and the debt service, which were fairly stable. All of the administrative costs for the LRBP come out of the Cash Program.

Senator Laible asked if the Architecture and Engineering Division bill additional dollars per project. Mr. O'Connell answered that what was charged as a supervisory fee goes back into the funding.

Representative Hawk asked Mr. O'Connell if when buildings are built, the agency requesting the building take a percentage of the cost of the building for deferred maintenance. Say one or 2 percent. Mr. O'Connell answered no; and if they were, it would only be beneficial if it could be continued on a year-to-year basis. **Representative Hawk** then stated that it seemed like an idea that the committee should explore. He said if you took a \$10 million building and then put 2 percent of that into a fund, there would be \$2 million in an account that could be drawing interest for a certain period of time before it was needed for that building's maintenance. Ms. Duncan said that this provision was in a statute but as far as she knew it had never been applied.

Mr. O'Connell then referred to the "Cash Program Reflected as a Percentage of Building Replacement Values" handout, (Exhibit 7) and noted the definite downward trend. He commented that he was beginning to investigate what kind of dollars it would take to get us out of the hole. In the 1980-81 session the program was funded at about 1.80 percent of the replacement value. In the 2006-07 session the percentage has dropped to about .20 percent. He stated that *APPA Publications*, the higher education facilities folks, suggest that somewhere between 2 percent and 4 percent of replacement value be put in maintenance annually. The Legislative Audit Division "November 2000 Limited Scope Performance Audit" hand out (Exhibit 8) also suggests 2 percent to 4 percent. There is no set figure. It varies by type of building. Per the audit, office buildings should be 2.1 percent, laboratories should be 3.7 percent, and medical facilities should be 4.1percent. The Architecture and Engineering Division has always felt that a conservative 1 percent should be put into maintenance annually. If that percentage was put at a more realistic 1.5 percent to 1.75 percent, the LRBC Cash fund could be raised to a higher level. 1 percent would mean \$23 million would be spent per biennium as compared with the current \$3-\$5 million per biennium. The \$23 million doesn't take into account the fixed expenses of operating costs and debt services. If fixed expenses were included the number would be closer to \$30 million a biennium. He reminded the participants that the figure would continue to go up do to inflation and the acquisition of additional buildings.

Mr. O'Connell summarized by rhetorically asking if the \$23 million a year would get rid of the back log of deferred maintenance projects. It would make a difference. Agencies seeing that

there was money for projects will turn in more requests, but it will help. If there were no increase, they would see the slow deterioration of our buildings. He stated that they have over a billion-dollar investment and thought they should take care of it.

Representative Hawk asked for a clarification. Was Mr. O'Connell saying that \$11 million a year plus say 3 percent for inflation would take care of the problem or just break us even? Mr. O'Connell answered that the \$11 million plus 3 percent for inflation would go a long way toward taking care of the problem. Whether the amount would eliminate the problem or not, he could not definitely say. The unknown was how close were they to the real figure of agency requests.

Representative Hawk made a reference to the audit stating that the audit stated that not all agencies use a facilities inventory process to assess buildings. Their recommendation was that the legislature mandate a standardized facilities condition assessment. He asked Mr. O'Connell what he thought about this. Mr. O'Connell stated that most agencies do use a process. The reason that some do not was that the cost of implementing the Facilities Condition Inspection (FCI) took away from the agency's funds and they felt they could not afford it. Some agencies use their own money from other sources. He stated he did not know what you could do to implement the use of the FCI, if the agencies weren't motivated to use it. **Representative Hawk** stated he was reading in the audit that they recommended that the Department of Administration form a department or someone to handle the situation. Mr. O'Connell stated that his division couldn't run the agencies, but if the legislature mandated that the agencies that did not complete FCI's would not get any maintenance funding, his department could implement that mandate. Until then he didn't feel they have the latitude to deny requests.

Senator Laible asked if the \$23 million would keep us even or would it eliminate the backlog and if so when. Mr. O'Connell replied that he couldn't say the number of years, but that it would eat away at the backlog. If the backlog didn't grow at all, he felt that within five biennia they would have a handle on the backlog. As a follow-up, Senator Laible asked Mr. O'Connell if he was saying that with the \$23 million there would come a time when they not only had taken care of our backlog, but also were keeping current and would be bringing in more money than they would need. Mr. O'Connell said with inflation of our facilities and the fact that they increase the number of them all the time that our backlog would probably never go away.

Senator Cooney asked Mr. O'Connell if he had the correct understanding that with the \$23 million plus \$7 million for fixed costs Mr. O'Connell felt they could at least stay on top of the backlog problem. Mr. O'Connell said that was what he was saying. He felt he was presenting a conservative estimate of the need.

Senator Laible stated that he felt they were dealing with the need to find two funding solutions: One to handle the backlog, the other to handle current needs that would stay with inflation not unlike what they had with the old fund. They would have a fee that would drop off in eight to ten years when the backlog was taken care of, but they would always have an ongoing fund to keep up with the current maintenance problems.

What Other States are Doing (Tape 1B-334)

Joe Triem said currently 75 percent to 80 percent of state buildings were under one FCI system developed by Montana State University in conjunction with the University of Montana. The 75 to 80 percent included the U of M System, the MSU System, Fish, Wildlife and Parks, General Services, and he believed Military Affairs. Those not in this FCI were DPHHS and the Department of Corrections. The FCI was a tool that could be used to track a funding level in the future.

Mr. Triem continued by saying many states have a percentage put aside for deferred maintenance, such as 5 percent, that they do not go below. To provide a national perspective, he used two documents: One was the "2005 Government Performance Project Study", which is the national survey used to compare state management; the other was the "1999 National Association of State Budget Officers' Survey of Capitol Building Processes". He stated that the national backlog of deferred maintenance is significant and growing. Many times a low dollar per square foot fix turns into a larger dollar per square foot replacement.

Mr. Triem next informed the committee that one handful of states, which includes Idaho, funds their deferred maintenance programs with a portion of their state taxes. Another handful, mostly in the Southwest, assesses a rental surcharge. Some states try and latch on to a new revenue source such as gaming. The majority of the states do what Montana has done by using components of several sources. The state of Utah, which has one of the lowest deferred maintenance levels, has been successful in their funding efforts by requiring that between .9 percent and 1.1 percent of the replacement value of the buildings be reinvested in the buildings in the form of maintenance each year prior to allowing new building. This does not preclude the building of buildings with other than general fund dollars. This is statutory unless there is a technical budget short fall.

Minnesota had a statute where 1 percent of the replacement value was put into a facility repair and replacement fund. This fund was stripped by their 2003 legislature and the money put in their general operating budget where it currently remains. Colorado in the 80's created a controlled maintenance trust fund. The Colorado statute (Exhibit 9) excluded the creation of debt for new construction and even major renovation by statute. The fund was created with general fund transfers. At one time their principle was \$240 million, which provided \$17 million in interest earnings on an annual basis. However, from fiscal year 2002 through the present those funds were transferred out because of budget shortfalls. It was to be paid back the next biennium, but this didn't happen.

Mr. Triem said he looked at neighboring states; Idaho put a \$10 per return charge on income tax, which went into a permanent building fund. They also created a statute where any moneys left from a bonded project had to go into that permanent building fund. However, the fund is not specifically for deferred maintenance and the money has been spent on new buildings leaving the deferred maintenance under funded by 50 percent. He said the other neighboring states were in the same situation as Montana, trying to find ways to cope with the backlog. Mr. Triem asked if there were any questions.

Representative Hawk asked for confirmation that DPHHS and the Department of Corrections were the only agencies that do have a FCI program. Mr. Triem said there were a possibly a few others, but 95 percent of the buildings would be included if the Departments Public Health and Human Services and Corrections were to have an FCI.

Study Motion (Tape B1-600)

Senator Cooney asked if there were any more questions. There were none. He then asked if it would be in the interest of the committee, at this point, to set a percentage target to work toward as a means of direction. He said they could use the 1 percent of replacement value per Mr. O'Connell's figure, which would give them \$23 million. This would not include the fixed \$7 million costs.

Senator Laible (Tape 2A – 030) said he was considering taking another direction. He said he was looking at the unfunded liability of probably \$205 million. He commented that when buildings were rented the rental charge was figured on a per square foot basis. Some of this amount was usually set aside for maintenance. If the committee could come up with a per-square-foot amount and set a schedule of when it was going to be amortized and at the same time come up with another per-square-foot amount that would go for current maintenance, then every state agency would pay so much per square foot based on their building use. The amount would be put in a fund that could only be stripped by the legislature if they could get two-thirds vote or something. If they amortized the \$205 million, at the end of eight or ten years that fee would come off. Each agency would have to go before their subcommittee and say they wanted to spend so much for a project. He went on to say there would have to be a matrix based on the use of a building. It could be maybe one through five. He then asked for feedback from the rest of the committee. **Representative Branae** said it sounded interesting. Did anyone else see any downfalls?

Senator Cooney said they could pursue that path. If they decided to explore that, they would have to decide where they were going to get the money, how they were going to do it and how the money would be protected. He next remarked that talking of targets, as he started the discussion, was not out of the question.

Senator Laible said he felt that the committee's job was to decide how were they going to solve the problems of the deferred and on going maintenance. He felt where the money came from was a legislative process. He felt they had to separate themselves from all the pots of money and put all the revenues into the general fund. Then come up with a formula that defined that this amount was how much you were going to get. This way Tom and his staff, Steve and his staff would know the amount they would get to work with on an ongoing basis. He felt that finding the money was a legislative process that the committee was not going to be able to solve.

Senator Cooney felt that though they couldn't decide where the money was going to come from they should make it part of their deliberations. He worried that without coming up with a funding recommendation then it would end up being a good recommendation that goes nowhere.

Senator Laible said he was worried that tying the recommendation to a funding stream, such as the cigarette tax, would leave them in the position of the legislature possibly redirecting the

funds whenever that tax went up or down. This would probably leave deferred maintenance in the same position, or maybe having a \$450 problem in eight or so years

Representative Hawk asked if **Senator Laible** meant he wanted leave it up to the subcommittees on appropriations to decide where they were going to get the money. **Senator Laible** said as he saw it the agency would say to the subcommittee this was the amount of money based on the square footage and building use formula that is going to be part of our budget. This is the amount you are going to approve. So it would be part of the budget process. It would be similar to the way the employee cost is handled. That way the legislature would be part of the process. When it came to spending they would also see where it was going. He also said he felt that with the formula you would avoid the problem of some agencies having more pull. **Representative Hawk** felt they would have the problem of some agencies having more pull if the funding stream wasn't identified.

Senator Cooney felt they were getting ahead of themselves. He asked for a recommendation so that the staff would have something to work on for the next meeting.

Representative Hawk asked for clarification of what happened in 2003-2004 session that caused the drop in funding from the cigarette tax. Ms. Duncan replied that there was an increase in the tax, but there was also a decrease in the percentage taken out in order to keep the money amount even.

Senator Laible requested that they let the non-legislative people such as Mr. O'Connell see if they could come up with some kind of formula, along the lines of what he had proposed, that would take care of the deferred maintenance and on going maintenance funding problems. He was hoping that the subcommittee could come up with a bipartisan bill draft that they could take to the committee as a long-range plan.

Senator Cooney said that before they went to a motion that Mr. Robinson had something that he would like to say.

Mr. Robinson stated that he realized that 65 percent of the square footage of state buildings was in the university system. He requested that when the committee looked at the funding sources, they realize that expenses of the universities are 60 percent funded by the universities mostly through tuition. The students already contributed a percentage of their tuition for maintenance. They had done a quick assessment of \$1.50 per square foot calculation and came up with an increase of 4 percent in tuition. He was asking the committee to keep in mind the affordability of education to the students.

MOTION. (Tape 2A -297) **Senator Laible** moved that they direct the staff to look for and develop alternative funding formulas based on: a per square foot and a class of building use basis to fund the \$205 million dollar deferred maintenance backlog, and another funding formula that would take care of the current maintenance, also using square footage and class of building use. He also moved that they amortize the deferred maintenance fund over ten years. **VOTE:** Motion carried unanimously.

MOTION. Representative Hawk moved that the staff figure out what the amount would be if they took a 2 percent fee out of or added to the price of new buildings to be put into an interest bearing account. And calculate what would be the amount available from interest accumulation for maintenance. This would be for new buildings, but looked at historically. **VOTE:** Motion carried unanimously.

Senator Cooney asked if they wanted to have the staff put a percentage in on the square footage calculations. **Senator Laible** answered that he would rather they figured the square footage formula and they then see what percentages they needed to get to the amounts.

Potential funding options (Tape 2A-528)

Cathy Duncan said she had worked with the Architecture and Engineering Division and the Budget Office and other interested parties on funding ideas. One idea was to work with the existing revenue sources. She referred to the two flow charts (Exhibit 10) that she had in her section of the notebook. She said if they wanted to come up with enough money to fund the program at 1 percent using the cigarette tax, they would have to increase the percentage paid out of the tax pot. LRBP would have to get to 16 percent. The extra percentage would come out of the percentage that went to the general fund. You couldn't take a large enough increase of distribution of the coal tax to cover the need. She then referred to her "Funding Options" handout (Exhibit 11) and said there were eight sources of general fund that could be used. These were 2004 numbers and would cover the 1 percent of the 2004 building inventory. She said that the assumptions she made when looking at these sources were that the general fund distributions were adequate and that they were increasing sources. She next said there was a "Contractor's Gross Receipts Tax" which seemed a natural tie. However, it was very volatile and in its best years would only provide about \$3 million. The Contractor's Gross Receipts Tax goes into the general fund. Ms. Duncan referred to her "Maintenance Trust" (Exhibit 12) handout. Saying that it would be a good use of one time money. Of course they would need a beginning balance of around \$200 million to make it effective. A possibility is taking a one-time part of the coal trust and dedicating it to LRBP.

Rental Surcharge/pros and cons (Tape 2B-030)

Steve Bender referred to his handout, "Rental Surcharge Option for Capital Complex Funding" (Exhibit 13). This idea asked the state to act more like a private business by including depreciation and wear and tear on an ongoing basis. He said that the analysis was based on the capital complex and excluded the university system. He pointed out that the rental charge the agencies pay the private sector was significantly higher than what the state charged itself, which left room for a rental surcharge. He pointed out the reasons for the differences in rents. He said the state liked to keep its rate low because of its impact on other budgets. He said a benefit of using a rental surcharge would be that all other funds (i.e. the general fund, federal funds) would participate in maintenance funding. He said a surcharge would budget on-going maintenance the way that the private sector did. It would free tenants from having to budget for maintenance. This could be a source that would free up cash funding request amounts so that they could be used elsewhere. The cons are there would have to be a budget increase in agencies to cover the surcharge. It wouldn't cover buildings that the state isn't getting rent from. Some buildings would have to be self funded because they don't pay rent.

Senator Laible asked if the agencies that don't pay rent self fund? Mr. O'Connell answered that, if they have a fund to draw from such as the Department of Transportation has the fuel tax, then they self fund. If they do not have a funding source to draw from of their own then they draw from the LRBP. This would include such buildings as the museum and the Governor's Mansion.

Mr. Bruno then asked if the study that **Senator Laible** requested in his motion wouldn't be covering the self-funded buildings. **Senator Laible** said it would, but they wouldn't have to pay the surcharge if they were self-funded. **Senator Laible** said he would like to see all maintenance eventually come out of one pot. He would like to see the broader picture first and then fine-tune it later.

Maintenance Going On in the University System (Tape 2B-277)

Mr. Lashaway said the university system has both state funded and non-state funded buildings. The non-state funded buildings were built and run by auxiliary enterprises much the way private enterprises were. They were excluded from LRBP, and made up 40 percent of the university system's building inventory. He said what he got at MSU for annual maintenance funding via HB 2 was mostly spent on deferred maintenance. The \$1 million or \$1.5 million that they spent on maintenance annually fell into the 40 percent from the state funds and 60 percent from tuition category. They did get grants to renovate such things as laboratories. These projects would, in the process of being completed, wipe out some deferred maintenance needs.

Senator Laible asked if there was ever time that state funds were required for the 40 percent of the buildings that fell in the university system's self-funded category. Mr. Lashaway said they used to request help from the state but after getting beat back enough times they stopped trying. He said he would add that the state occupied 15 percent of the auxiliary category buildings and they tried to see if they could get money based on this percentage from the LRBP and were told no. The auxiliary building could charge a rental charge to go into maintenance in the future.

Mr. Bruno asked Mr. Lashaway about the "building fee" that the students pay. Mr. Lashaway said that the students could vote themselves a special building fee or a project fee such as the one they voted to renovate the student union. Those monies go into a special fund. Everything else budgeted for maintenance got the sixty-forty split. Mark Bruno next asked Mr. Lashaway if the campuses didn't use the interest from the dedicated trust funds for deferred maintenance. Mr. Robinson answered that until 2005 the interest was mostly being put back into the trusts, and there was an administrative charge being charged whether the money was distributed or put back in. There was a legislative audit recommendation in 2005 to DRNC that those revenues be distributed. The moneys could be used on the payment of bonds or facility issues.

Senator Cooney asked Mr. Robinson if he could at some time provide the committee with the amount that each campus gets from their dedicated state lands? He answered that he could.

Mr. O'Connell wanted to point out that occasionally auxiliary money and LRBP money is combined on projects such as the tunnel project on the MSU campus where the project was an infrastructure project serving all types of buildings.

Senator Cooney asked Mr. Bruno if he had any comments from the budget office?

Mr. Bruno said that deferred maintenance was on the radar screen at the Governor's Budget Office and that they hoped that the committee would be fleshing out the details.

Senator Cooney noted that the public was seated around the table and had been heard from. He also noted that the staff had been given direction through the motions.

NEXT MEETING (Tape 2B-502)

The next Meeting of the LRBP Cash Funding Committee will be Wednesday afternoon, March 8, 2006.

Adjournment

Meeting adjourned at 4:08 p.m.

Senator Mike Cooney, Chairman

Carolyn Bunegar, Secretary

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